

STATE OF ALABAMA  
ALABAMA SECURITIES COMMISSION

IN THE MATTER OF: )  
 )  
AUDIO-EX INC ) ADMINISTRATIVE ORDER  
MORESON CONFERENCING INC ) NO. CD-2006-0022  
DANA BRUTTIG SIMONS )  
MARK BYRON JACKSON )  
 )  
RESPONDENTS )

CEASE AND DESIST ORDER

The Alabama Securities Commission ("Commission"), having the power to administer and provide for the enforcement of all provisions of Title 8, Chapter 6, Code of Alabama 1975, the Alabama Securities Act, upon due consideration of the subject matter hereof, has determined as follows.

RESPONDENTS

1. During all times relevant to the transactions referenced in this order, AUDIO-EX INC (AUDIO-EX) was a California Corporation with a principal business address of 629 Fourth Street, Suite B, Santa Rosa, California 95404.
2. MORESON CONFERENCING INC (MORESON) is an Alabama Corporation with a principal business address of 2901 Zeldia Road, Montgomery, Alabama 36106.
3. During all times relevant to the transactions referenced in this order, DANA BRUTTIG SIMONS (SIMONS) was the Chief Executive Office of AUDIO-EX. SIMONS has a residential address of 991 Linda View Drive, Healdsburg, California 95448.
4. MARK BYRON JACKSON (JACKSON) is the President of MORESON. JACKSON has a residential address of 4108 Ashington Drive, Birmingham, Alabama 35242.

## STATEMENT OF FACTS

5. The Commission received information that in February and March of 2005, AUDIO-EX, MORESON, SIMONS and JACKSON offered and sold shares of Series B Preferred Stock in AUDIO-EX to six Alabama residents. Some, but not all, of the investors received a "Series B Preferred Stock Subscription Agreement." The Agreement stated that "each Investor agrees to purchase and the Company (AUDIO-EX) agrees to issue and sell to such Investor that number of shares of Series B Preferred Stock as set forth opposite such Investor's name on Schedule 1 hereto at a purchase price of \$0.08 per share." None of the investors ever received stock certificates.

6. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on March 16, 2006 disclosing no record of registration or any perfected exemption for the security, to wit: the Series B Preferred Stock for AUDIO-EX, in the state of Alabama.

7. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on March 16, 2006 disclosing no record of registration for SIMONS or JACKSON as a broker dealer agent, investment advisor, or investment advisor representative in the state of Alabama.

8. A review of the files of the Registration Division of the Alabama Securities Commission was conducted on March 16, 2006 disclosing no record of registration for AUDIO-EX or MORESON as a broker dealer in the state of Alabama.

## CONCLUSIONS OF LAW

9. Section 8-6-2(10), Code of Alabama 1975, defines stock or any evidence of indebtedness as a security. The Series B Preferred Stock of AUDIO-EX is a security under the Act.

10. Neither SIMONS nor JACKSON were registered as broker dealer agents, investment advisors, or investment advisor representatives in the state of Alabama. Pursuant to Section 8-6-3(a), Code of Alabama, 1975, it is unlawful for a person to transact business in this state as a dealer or agent for securities unless such person is registered under the Act. SIMONS and JACKSON unlawfully effected transactions in securities while not registered under the Act.

11. Neither AUDIO-EX nor MORESON were registered as broker dealers in the state of Alabama. Pursuant to Section 8-6-3(a), Code of Alabama, 1975, it is unlawful for a person to transact business in this state as a dealer or agent for securities unless such person is registered under the Act. AUDIO-EX and MORESON unlawfully acted in the capacity of a broker dealer while not registered under the Act.

12. The securities offered and sold by AUDIO-EX, MORESON, SIMONS and JACKSON, to wit: the Series B Preferred Stock of AUDIO-EX, were not registered in the state of Alabama. Pursuant to Section 8-6-4, Code of Alabama 1975, it is unlawful to offer or sell any security unless it is registered under the Act, the security is exempt from registration pursuant to Section 8-6-10 or the transaction is exempt under section 8-6-11. AUDIO-EX, MORESON, SIMONS and JACKSON unlawfully offered and sold securities of AUDIO-EX which were neither registered nor subject to any perfected exemption.

This Order is appropriate in the public interest for the protection of investors and consistent with the purposes of the Alabama Securities Act.

This Order does not prevent the Commission from seeking such other civil or criminal remedies that may be available to it under the Alabama Securities Act.

ACCORDINGLY, IT IS HEREBY ORDERED that RESPONDENTS immediately  
CEASE AND DESIST from further offers or sales of any security into, within or from the  
state of Alabama

Entered at Montgomery, AL, this 15<sup>th</sup> day of May, 2006.

ALABAMA SECURITIES COMMISSION  
770 Washington Avenue, Suite 570  
Montgomery, AL 36130-4700  
(334) 242-2984  
BY:



JOSEPH P. BORG  
Director

